

AMENDMENTS TO CHAPTER 45-02-02

LICENSING OF INSURANCE PRODUCERS, SURPLUS LINES INSURANCE PRODUCERS, AND CONSULTANTS

Sections 45-02-02-02, 45-02-02-03, 45-02-02-04, 45-02-02-07, and 45-02-02-13 are amended as follows:

45-02-02-02. Applications for licenses.

1. Resident insurance producers' applications.

- a. An application must be completed in accordance with the instruction sheet and submitted either electronically or with a paper filing on a commissioner-approved application form.
- b. ~~An applicant for an insurance producer's license by a business entity must have an active certificate of authority with the North Dakota secretary of state's office.~~
- ~~e.~~ c. An applicant licensed in another state within the preceding ~~twelve months~~ ninety days who moves to this state must provide, with the application, proof of clearance from the state in which the insurance producer is currently or was most recently licensed as a resident insurance producer.
- ~~d.~~ d. Every application submitted to the department through either a paper or electronic filing must be accompanied by the appropriate fee made payable to either the commissioner or the commissioner's designee.

2. Nonresident insurance producers' applications.

- a. An application for a nonresident insurance producer's license must comply with subdivisions a, ~~b, d c,~~ and e d of subsection 1 and must contain a written designation of the commissioner and the commissioner's successors in office as that insurance producer's true and lawful attorney for purposes of service of process.

- b. An applicant for a nonresident insurance producer's license must have the state, which issued the agent's resident license, supply to the department a certificate showing the lines for which the agent is licensed and eligible to write in that state. This certification may be submitted by the national association of insurance commissioners' producer data base.
- 3. **Surplus lines insurance producers' applications.** A surplus lines insurance producer's application must be submitted in accordance with chapter 45-09-01.
- 4. **Consultants' applications.**
 - a. An application for a consultant's license must be submitted in accordance with the instruction sheet provided by the department and submitted on the appropriate form.
 - b. No person holding a license as an insurance producer or surplus lines insurance producer may obtain and simultaneously hold a license as a consultant. If the applicant holds such licenses at the time of application, the licenses must be terminated prior to obtaining a consultant's license.
- 5. **Temporary license applications.**
 - a. An application for a temporary insurance producer's license must be submitted in accordance with section 45-02-02-02.
 - b. The application must be accompanied by a written statement of the reasons for requesting the issuance of a temporary license.
 - c. A temporary license will not be granted for the sole reason that the applicant has failed to pass the insurance producers' examination and desires to be licensed until such time as a passing examination score is obtained.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 1987; April 1, 1996; January 1, 2000; December 1, 2001; _____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-12, 26.1-26-13

45-02-02-03. Examination for licensure.

- 1. An applicant must qualify for lines of authority by passing the examination set out in subsection 6 5.
- 2. The examination is administered under a contract with a testing service.

3. An applicant must present a photo identification card at the test center prior to being admitted for testing. ~~If the applicant does not have a photo identification card, permission to take the test may be specially obtained upon application to the insurance department.~~
4. ~~At the test center, an applicant must present either proof of completion of prelicensing courses or a waiver from the department.~~
5. There are two basic parts to each examination:
 - a. Part One is the part of the examination developed as a test of general knowledge for the lines of insurance and there are four such Part Ones:
 - (1) 01 Life and annuity
 - (2) 02 Accident and health
 - (3) 03 Property
 - (4) 04 Casualty
 - b. Part Two is the part of each examination which tests the applicant's knowledge of North Dakota law.
6. 5. An applicant applying to conduct insurance in the following lines must pass the following examinations:

a. Life and annuity	01 Life and annuity
b. Accident and health	02 Accident and health
c. Property	03 Property
d. Casualty	04 Casualty
e. Variable life and annuity	01 Life and annuity
6. An examination score is valid for one year after the date of the examination for a license applicant who has not completed the application process and who has not obtained licensure. After one year from the date of the examination, an applicant must retake the required examination.
7. An examination is valid for as long as a person continuously holds a valid insurance producer's license issued by the North Dakota insurance department and for twelve months following cancellation of a license, with the exception that an examination ceases to be valid immediately upon

the suspension or revocation of the license unless the order of suspension or revocation specifies otherwise.

8. An applicant for a consultant license must take and pass the insurance producer's examination for the lines in which the applicant wishes to consult.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001;_____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-12, 26.1-14, 26.1-23, 26.1-24, 26.1-27, 26.1-28, 26.1-29

45-02-02-04. Exceptions to examination requirement.

1. Consultants' exemption.
 - a. If an applicant holds an insurance producer's license in North Dakota, the applicant is exempt from the testing requirements for the lines held on that license within the last twelve months; however, the applicant must terminate all other licenses prior to obtaining a consultant's license.
 - b. Upon application, it may be shown that the educational background or work experience record is an adequate basis to grant an exemption from testing. A narrative must be included with the application.
2. An applicant applying for a license for title insurance is exempt from any examination requirement but must meet the following qualifications:
 - a. The applicant must be a licensed abstractor or attorney; or
 - b. The applicant must have a minimum of eighty hours of training provided by an insurer licensed in the line of title insurance. A certification by the insurer that the training has been completed must accompany the application.
3. An applicant for a license to write ~~the following products~~ travel/baggage insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier is exempt from examination requirements:-
 - a. ~~Baggage insurance sold by a ticket-selling agent of a common carrier for travel with that carrier.~~

- b. ~~Travel insurance sold by a ticket-selling agent operating within a transportation terminal.~~
- 4. An applicant for a license to write the following products need only take the reduced examination required for that specific product:
 - a. Bail bonds.
 - b. Credit including credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the insurance commissioner determines should be designated a form of credit insurance.
 - c. Crop or crop hail. Crop or crop hail insurance is insurance providing protection against damage to crops from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or perils provided by the private insurance market, or that is subsidized by the federal crop insurance corporation, including multi-peril crop insurance.
 - d. Legal expense, including prepaid legal service.
 - e. Personal lines. Personal lines is property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001;_____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-25

45-02-02-07. Renewal procedure for appointments.

- 1. On or before ~~March fifteenth~~ December first of each year, a preliminary renewal list of the insurance producers appointed by that company, together with an instruction letter, will be furnished by the department to each company.
- 2. ~~The company shall designate on that list which insurance producers it does not wish to renew, and return the list to the department within the timeframe set out in the cover letter~~ On or before March fifteenth of each year, an electronic renewal invoice will be made available through the national association of insurance commissioners' subsidiary to all companies with active appointments.

3. The insurer shall pay the appropriate fee for all appointments ~~which are renewed, along with the~~ on the renewal list invoice prior to May first.

History: Effective September 1, 1983; amended effective October 1, 1984; December 1, 2001;_____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-08, 26.1-26-32

45-02-02-13. Change of address. The change of address required by North Dakota Century Code section 26.1-26-33 must be provided to the department electronically or on a letter or form separate from the application or appointment forms and submitted solely for that purpose.

History: Effective September 1, 1983; amended effective October 1, 1984;_____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-33